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Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No 1545-0687

2011

For calendar year 2011 or other tax year beginning **07/01/11**, and ending **06/30/12**. See separate instructions.

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

A Check box if address changed

B Exempt under section
 501(c) (**3**)
 408(e) 220(e)
 408A 530(a)
 529(a)

C Book value of all assets at end of year
85,979,127

D Employer identification number (Employees' trust, see instructions)
34-0714600

E Unrelated business activity codes (See instructions)
900099 541800

Name of organization (Check box if name changed and see instructions)
CLEVELAND INSTITUTE OF MUSIC

Number, street, and room or suite no. If a P O box, see instructions
11021 EAST BLVD.

City or town, state, and ZIP code
CLEVELAND OH 44106

F Group exemption number (See instructions) ▶

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Describe the organization's primary unrelated business activity.
▶ **See Statement 1**

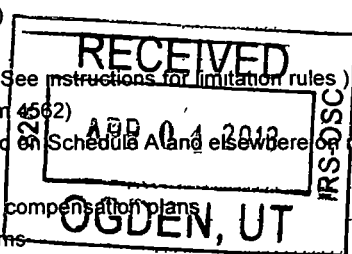
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ Yes No
If "Yes," enter the name and identifying number of the parent corporation

J The books are in care of ▶ **Mr. Eric Bower** Telephone number ▶ **216-791-5000**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
c	Balance ▶			
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement) See Stmt 2	28,881		28,881
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)	5,891		5,891
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions, attach schedule.) See Stmt 3	25,200		25,200
13	Total. Combine lines 3 through 12	59,972		59,972

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)		14	
15	Salaries and wages		15	
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach schedule)		18	
19	Taxes and licenses		19	
20	Charitable contributions (See instructions for limitation rules)		20	
21	Depreciation (attach Form 4562)		21	
22	Less depreciation claimed on Schedule A and elsewhere on return		22a	22b 0
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach schedule) See Statement 4		28	25,200
29	Total deductions. Add lines 14 through 28		29	25,200
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		30	34,772
31	Net operating loss deduction (limited to the amount on line 30)		31	34,772
32	Unrelated business taxable income before specific deduction Subtract line 31 from line 30		32	
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)		33	1,000
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	0



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Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here. 36 Trusts Taxable at Trust Rates. See instructions for tax computation. 37 Proxy tax. See instructions. 38 Alternative minimum tax. 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116). 41 Subtract line 40e from line 39. 42 Other taxes. 43 Total tax. Add lines 41 and 42. 44a Payments. A 2010 overpayment credited to 2011. 45 Total payments. Add lines 44a through 44g. 46 Estimated tax penalty (see instructions). 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed. 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid. 49 Enter the amount of line 48 you want. Credited to 2012 estimated tax. Refunded.

Part V Statements Regarding Certain Activities and Other Information (see instructions)

1 At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

1 Inventory at beginning of year. 2 Purchases. 3 Cost of labor. 4a Additional sec 263A costs (attach sch). 4b Other costs (attach schedule). 5 Total. Add lines 1 through 4b. 6 Inventory at end of year. 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?

Sign Here. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature] Date: 3-29-13 Title: VICE PRESIDENT/COO. May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only. Print/Type preparer's name. Preparer's signature. Firm's name: This tax return prepared by a non-paid preparer. Firm's address. Date. Check if self-employed. PTIN. Firm's EIN. Phone no.

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property		
(1) N/A		
(2)		
(3)		
(4)		
2. Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶
(c) Total income. Add totals of columns 2(a) and 2(b) Enter here and on page 1, Part I, line 6, column (A) ▶		

Schedule E – Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) Performance Hall		9,724		
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1) 18,612,500	30,723,781	60.58%	5,891	
(2)		%		
(3)		%		
(4)		%		
See Statement 5 See Statement 6			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
Totals			5,891	
Total dividends-received deductions included in column 8 ▶				

Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross inc	6. Deductions directly connected with income in column 5
(1) N/A					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
Totals			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A) ▶	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)	

Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1) N/A				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)

Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26

Schedule J – Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1) N/A						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1) N/A						
(2)						
(3)						
(4)						
(5) Totals from Part I	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1-5)						

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1) N/A		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			

Forms 990 / 990-PF	Other Notes and Loans Receivable	2011
For calendar year 2011, or tax year beginning 07/01/11 , and ending 06/30/12		

Name CLEVELAND INSTITUTE OF MUSIC	Employer Identification Number 34-0714600
---------------------------------------------	-----------------------------------------------------

Form 990, Part X, Line 7 - Additional Information

Name of borrower	Relationship to disqualified person
(1) Students Notes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)	2,068,741	1,969,648	
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals	2,068,741	1,969,648	

Tax-Exempt Bond Liabilities

Form **990**

2011

For calendar year 2011, or tax year beginning **07/01/11**, and ending **06/30/12**

Name **CLEVELAND INSTITUTE OF MUSIC** Employer Identification Number **34-0714600**

Form 990, Part X, Line 20 - Additional Information

Name of lender	Purpose of issue
(1) Ohio Higher Educational Facility Com	Refinance '05 bonds for constructio
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Issue date	Original amount of issue	Form 8038 filed Y/N	Date filed	Date retired	Completion date of project	Unexpended bond proceeds
(1) 12/29/10	19,320,000	Y	12/29/10	Various	10/31/07	
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Third party use percent	Maturity date	Repayment terms	Interest rate
(1)	Various	Varying Amts. beg.in 2011	0.330
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

Security provided by borrower	Amount outstanding at beginning of year	Amount outstanding at end of year
(1) Bond Purchase Agreement	18,970,000	18,255,000
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	18,970,000	18,255,000

Federal Statements**Form 990-T - General Footnote****Description**

Pursuant to IRC 172(b), the Cleveland Institute of Music determines the amount of the net operating loss deduction for the current tax year to be \$34,772.

Tax Year	NOL Carryover	NOL Used in Current Yr	NOL Carryforward Future Year(s)
2006	(47,989)	(34,772)	(13,217)
2008	(53,491)	-	(53,491)
2009	(46,575)	-	(46,575)
2010	(42,166)	-	(42,166)
Total	(190,221)	(34,772)	(155,449)

Federal Statements**Statement 1 - Form 990-T - Primary Unrelated Business Activity**Description

Unrelated business activity primarily consists of performance hall rental, income (loss) from partnerships, and advertising income.

Statement 2 - Form 990-T, Part I, Line 5 - Income (Loss) from Partnerships or S-Corps

<u>Name of Partnership or S-Corp</u>	<u>Gross Income</u>	<u>Direct Deductions (Part. only)</u>	<u>Net Income</u>
Partnership Income (Loss)	\$ 28,881	\$	\$ 28,881
Total	\$ 28,881	\$ 0	\$ 28,881

Statement 3 - Form 990-T, Part I, Line 12 - Other Income

<u>Description</u>	<u>Amount</u>
Advertising	\$ 25,200
Total	\$ 25,200

Statement 4 - Form 990-T, Part II, Line 28 - Other Deductions

<u>Description</u>	<u>Amount</u>
Advertising expense	\$ 25,200
Total	\$ 25,200

Federal Statements**Statement 5 - Form 990-T, Schedule E, Column 4 - Average Acquisition Debt**

<u>Description</u>	<u>Deduction</u>
Performance Hall	
Sum of Debt Outstanding at First of Each Month	223,350,000
Divided by Total Number of Months Property Held	<u>12</u>
Average Acquisition Debt	<u><u>18,612,500</u></u>

Statement 6 - Form 990-T, Schedule E, Column 5 - Average Adjusted Basis

<u>Description</u>	<u>Deduction</u>
Performance Hall	
Adjusted Basis on First Day Property Was Held	31,338,499
Adjusted Basis on Last Day Property Was Held	<u>30,109,063</u>
	61,447,562
Divided by 2	<u>2</u>
Average Adjusted Basis	<u><u>30,723,781</u></u>